

DEPOSIT POLICY TOWN OF DERBY

PURPOSE. The purpose of this Deposit Policy is to establish proper management practices over deposits. To insure all deposits are fully collateralized by FDIC insurance and Irrevocable Stand By Letters of Credit as safeguards on deposits, in order to instill public confidence in Town operations and to provide accurate, reliable, and timely information upon which decisions can be made.

PROCEDURE: Deposits must be made on a daily basis. Deposits will be done by first printing a daily deposit slip and a cash receipt journal from the NEMRC cash receipts module. Balances on reports will be balanced to cash and checks in the cash drawer. The cash drawer must always have a start up balance of \$100.00. Once funds are balanced information will be transferred from the cash receipts module to Tax Administration and to the General Ledger. Tax Administration will then be accessed to accept the information that has been received from cash receipts. Once in the Tax Administration program the deposit must then be posted to Tax Administration and Transferred to General Ledger. Both transfers to General Ledger and accepted and all applicable reports must be printed and sums on reports are verified with daily deposit slip and cash receipt journal.

Once balances have been verified deposit tickets will be completed for deposit to the appropriate accounts for all cash and any checks that do not process through the Check Scanning remote capture process. All deposit slips must be copied and attached to the Dailey Deposit Record.

CHECK SCANNING PROCEDURE: All checks will be scanned for deposit - the scanning process creates images of paper checks the Town of Derby receives from their customers and then transmits these images electronically for the purpose of initiating collection of such checks through the Community National Bank. The Bank uses the electronic information, including images captured from these checks to process the checks for collection.

RETENTION AND SECURE STORAGE OF CHECKS. After scanning, the Town of Derby will retain in secure storage for 30 days each paper check they have received and scanned for deposit. The Town of Derby understands the significant risks of negligence, or fraud and misappropriation of funds and information that could result from unauthorized access to, or misuse of, such checks or the information contained thereon, including the risk of duplicate submission for payment of checks submitted for collection. The Town of Derby will use its best efforts to store paper checks in a locked and secure location, and to limit access thereto to trusted employees with a need to have such access for the purposes of implementing the remote deposit program.

DESTRUCTION OF PAPER CHECKS. Promptly following expiration of the retention period. The Town of Derby will destroy the paper checks of its Customers in a manner sufficient to prevent recapture of the information contained thereon, such as by incineration or shredding .

PROCESSING: Electronic images received by the bank on or before the Bank's specified cut-off time on a business day will be processed by Community National Bank for collection and cut off time on a non-business day will be processed and credited the next business day.

IMAGE ARCHIVES: Check Images will be available online through the processor for viewing by the Town of Derby for a period of 120 days following electronic transmission of the Image to the Bank. The Town of Derby will maintain a paper copy of these images with the Daily Deposit Record.

All Deposit Will be record and verified with a "Dailey Deposit Record Sheet – to insure all deposits balance – all deposit receipts and reports must be attached to record – the following record must be completed for all deposits:

DAILEY DEPOSIT RECORD

DATE: _____

DEPOSIT # _____

DEPOSIT TOTAL: \$ _____

CASH DEPOSITED TO BANK: \$ _____

CHECKS DEPOSITED TO BANK \$ _____

TOTAL CHECKS SCANNED \$ _____

TOTAL ALL FUNDS \$ _____

TOTAL DEPOSIT TO MONEY MARKET \$ _____

TOTAL DEPOSIT TO RESTORATIONS \$ _____

TOTAL ALL ACCOUNTS \$ _____

TOTAL VERIFIED ON TRANSACTION RESULT CRITERIA: \$ _____

TOTAL VERIFIED ON CHECK PRINTOUT \$ _____

(These totals must be the same and must be = to total checks scanned)

Check Printout + Deposit Slips must = Total Deposit \$ _____

DEPOSITS: All deposits must be made to an FDIC Insured Deposit Institution, if any single deposit account for the Town of Derby exceeds the amount that is covered under the FDIC Insured limits the account must be fully collateralized by and Irrevocable Stand-by Letter of Credit.

Public deposit shall only be made in qualified public depositories as established by state law, all financial institution and broker/dealers who desire to become qualified for investment transaction with the Town must supply the following as appropriate:

1. Audited financial statements demonstrating compliance with state and federal capital Adequacy guidelines;
2. Proof of National Association of Securities Dealers (NASD) certification;
3. Proof of state registration;
4. Certification of having read and understood and agreeing to comply with the Town's Investment policy; and
5. Evidence of adequate insurance coverage.


The treasurer and select board will conduct an annual review of the financial condition and Registration of all qualified financial institutions and broker/dealers.

The following investments will be permitted under this policy:

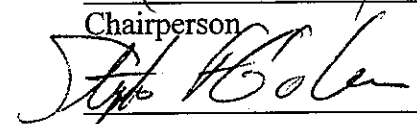
1. U.S. Treasury obligations which carry the full faith and credit guarantee of the United States Government and are considered to be the most secure instruments available;
2. U.S. government agency and instrumentality obligations that have a liquid market with a Readily determinable market value;
3. Certificates of deposit and other evidences of deposit at financial institutions;
4. Bankers acceptances;
5. Commercial paper, rated in the highest tier (e.g., A-1, P-1, F-1, D-1 or higher) by a nationally Recognized rating agency;
6. Investment grade obligations of state and local governments and public authorities;
7. Repurchase agreements whose underlying purchased securities consist of the aforementioned Instruments;
8. Money market mutual funds regulated by the Securities and Exchange Commission and Whose portfolios consist only of dollar-denominated securities; and
9. Local government investment pools, either state-administered or developed through joint Powers statutes and other intergovernmental agreement legislation.

COLLATERALIZATION. Collateralization using obligations fully guaranteed by the full faith and credit of a Vermont municipality, the State of Vermont, and/or the United States Government will be required on certificates of deposit and repurchase agreements. The current market value of the applicable collateral will at all times be no less than 102% of the sum of principal plus accrued interest of the certificates of deposit or the repurchase agreement secured by the collateral. Collateral will always be held by an independent party, in the Town's name, with whom the Town has a current custodial agreement. Evidence of ownership must be supplied to, and retained by, the Town.

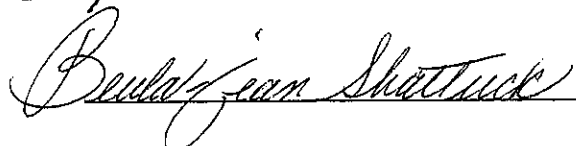
The foregoing Policy is hereby adopted by the Selectboard and the treasurer of the Town of Derby, Vermont, this 16th day of April, 2012 and is effective as of this date until amended or repealed.



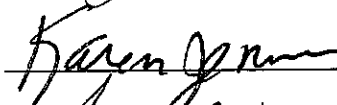
Chairperson



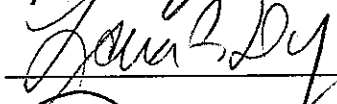
Board Member



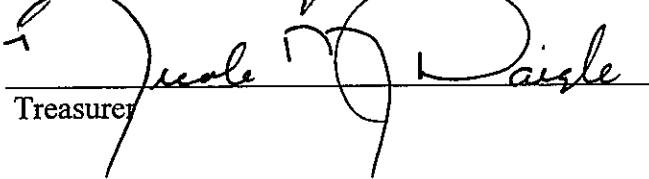
Board Member



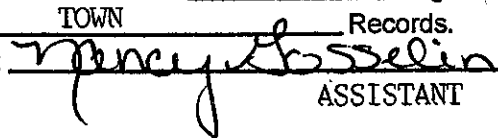
Board Member



Board Member



Treasurer

DERBY, VT TOWN CLERK'S OFFICE
RECEIVED FOR RECORD
APRIL 17 A.D. 2012
at 3 o'clock 00 minutes P. M.
and recorded in Book TOWN # 14 Page 176-179
of TOWN Records.
Attest: 
ASSISTANT Town Clerk